

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

)	Case No. 22-11068 (JTD)
In re:)	
)	(Jointly Administered)
FTX TRADING LTD., <i>et al.</i> , ¹)	
)	Chapter 11
)	
Debtors.)	Re: Docket Nos. 2240, 3661, 6701
)	

**RESERVATION OF RIGHTS OF THE U.S. SECURITIES
AND EXCHANGE COMMISSION TO LETTER AGREEMENT TO
SECOND AMENDED AND RESTATED INVESTMENT SERVICES AGREEMENT**

The U.S. Securities and Exchange Commission (“SEC”) files this reservation of rights with respect to the Debtors’ entry into the *Letter Agreement to Second Amended and Restated Investment Services Agreement* [Docket No. 6701] (“**Letter Agreement**”).

BACKGROUND

1. The SEC is the federal agency responsible for regulating the U.S. securities markets, protecting investors, and enforcing the federal securities laws. On December 13, 2022 and December 21, 2022, the SEC filed complaints against the founders of FTX Trading Ltd. (“**FTX**”) and its former insiders, alleging they engaged in a scheme to defraud equity investors in FTX, at the same time that they were also defrauding the platform’s customers.²

¹ The last four digits of FTX Trading Ltd.'s and Alameda Research LLC's tax identification number are 3288 and 4063 respectively. Due to the large number of debtor entities in these Chapter 11 Cases, a complete list of the Debtors and the last four digits of their federal tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors' claims and noticing agent at <https://cases.ra.kroll.com/FTX>.

² *SEC v. Bankman-Fried*, No. 1:22-cv-10501 (S.D.N.Y.); *SEC v. Ellison*, No. 1:22-cv-10794 (S.D.N.Y.).

2. On August 23, 2023, the Debtors filed the *Debtors' Motion For Entry Of An Order Authorizing And Approving (I) Guidelines For The Sale Or Transfer Of Certain Digital Assets, (II) The Sale Or Transfer Of Such Digital Assets In Accordance With Such Guidelines Free And Clear Of Any Liens, Claims, Interests And Encumbrances, (III) The Debtors' Entry Into, And Performance Under, Postpetition Hedging Arrangements, Including Granting Liens And Superpriority Administrative Expense Claims In Connection Therewith And (IV) The Debtors To Stake Certain Digital Assets* [Docket No. 2239] (the “**Guidelines Motion**”).

3. On August 24, 2023, the Debtors filed the *Debtors' Motion For An Order Authorizing FTX Trading Ltd. To Enter Into, And Perform Its Obligations Under, The Investment Services Agreement* [Docket No. 2240] (“**Galaxy Motion**”), seeking authorization for the Debtors to enter into an investment services agreement (“**Investment Management Agreement**”) with Galaxy Digital Capital Management LP (“**Galaxy**”). Galaxy Motion, at 4; Guidelines Motion, at 3.

4. On September 6, 2023, the SEC filed a reservation of rights (“**Reservation of Right**”) to the Galaxy Motion and the Guidelines Motion [Docket No. 2438].

5. On September 13, 2023, this Court entered an order approving the Galaxy Motion [Docket No. 2504].

6. On November 3, 2023, the Debtors filed the *Debtors' Motion for Entry of an Order Authorizing and Approving (I) Procedures for the Sale or Transfer of the Trust Assets and (II) the Sale or Transfer of Such Trust Assets in Accordance With Such Procedures Free and Clear of Any Liens, Claims, Interests and Encumbrances* [Docket No. 3660] (the “**Trust Motion**” and, together with the Galaxy Motion and the Guidelines Motion, the “**Motions**”) and the Amended Agreement, pursuant to which the Debtors seek to sell certain additional securities which would be managed by Galaxy.

7. On November 3, 2023, the Debtors filed the *Second Amended and Restated Investment Services Agreement* [Docket No. 3661] (“**Second Amended Agreement**”).

8. On November 14, 2023, the SEC filed a reservation of rights to the Second Amended Agreement [Docket No. 3778].

9. On January 26, 2024, the Debtors filed the Letter Agreement, pursuant to which FTX and Galaxy, with the written consent of the UCC and AHC may redesignate certain Excluded Assets as Specified Tokens, as such terms are defined in the Letter Agreement. Counsel to the Debtors has confirmed that the Specified Tokens shall not include FTT.

RESERVATION OF RIGHTS

10. The SEC staff has reviewed the Letter Agreement and does not object to the terms thereof. In not objecting, the SEC is not opining as to the legality, under the federal securities laws, of the transactions outlined in the Letter Agreement, and reserves its rights to challenge transactions involving crypto assets.

Dated: Washington, DC
February 5, 2024

UNITED STATES SECURITIES AND
EXCHANGE COMMISSION

By: /s/ Therese A. Scheuer

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CERTIFICATE OF SERVICE

I hereby certify that on this 5th day of February 2024, a true and correct copy of the foregoing Reservation of Rights was furnished to all ECF Participants via the CM/ECF system.

/s/ Therese A. Scheuer

Therese A. Scheuer